



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



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Village of Castine  
Darke County  
Castine, Ohio 45304

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the Village of Castine, Darke County, (the Village) for the years ended December 31, 2021 and 2020.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code Section 117.11(A). Because our procedures were not designed to opine on the Village's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the Village's financial statements, transactions or balances for the years ended December 31, 2021 and 2020.

The Village's management is responsible for preparing and maintaining its accounting records and related documents. Our responsibility under Ohio Rev. Code Section 117.11(A) is to examine, analyze and inspect these records and documents.

Based on the results of our procedures, we found the following significant compliance or accounting issues to report.

## Current Year Observations

1. The prior and current Fiscal Officers did not obtain the required fiscal integrity continuing education training as required by **Ohio Rev. Code § 733.81**. Failure to obtain the required training could result in improper knowledge of fiscal officer requirements.
2. **Ohio Rev. Code §§ 109.43(B) and 149.43(E)(1)** require all state and local elected officials, or their designees, to attend 3 hours of training on Ohio's Public Records Laws during each term of office. The training received must be certified by the Ohio Attorney General. Proof of completion of training must include documentation either from the Attorney General's Office or from another entity certified by the Attorney General to provide the training to the elected official or his/her designee. Attendees who successfully complete the training will receive a certificate to serve as proof of training.

None of the Council members nor the Fiscal Officer with terms of office ending during the audit period attended a required Certified Public Records Training or had an appropriate designee attend a training due to deficiencies in internal controls over public record laws training procedures and monitoring. This could result in improper education of public offices regarding the offices' duties related to public records requests as well as improper withholding of information from stakeholders.

The elected officials, or their designee(s), should, during their term of office, attend public records training and maintain proof of completion of the training.

3. The Village did not have an adopted/approved records retention schedule/policy. **Ohio Rev. Code § 149.43(B)(2)** requires a public office or the person responsible for public records shall organize and maintain public records in a manner that they can be made available for inspection or copying. Failure to have a records retention policy could result in violation of the Sunshine Laws. A public office also shall have available a copy of its current records retention schedule at a location readily

available to the public. The Village should implement procedures to ensure that appropriate records retention schedules/policies are properly established and adopted/approved. Failure to do so could result in a violation of Sunshine laws.

4. The Village does not have a public records policy as required by Ohio Rev. Code § 149.43(E)(2). **Ohio Rev. Code § 149.43(E)(2)** provides that every public office must have a policy in place for responding to public records requests. Generally, a public records policy cannot: (1) limit the number of public records the office will make available to a single person; (2) limit the number of public records the office will make available during a fixed period of time; and (3) establish a fixed period of time before the office will respond to a request for inspection/copying of public records unless that period is less than eight hours. However, pursuant to **Ohio Rev. Code § 149.43(B)(7)(c)(i)**, the policy may limit the number of public records the public office will physically deliver by U.S. Mail or other delivery service to ten per month unless the person certifies to the office in writing that the person does not intend to use or forward the requested records, or the information contained in them, for commercial purposes. Regarding this, the term “commercial” is to be narrowly construed and does not include reporting or gathering news, reporting or gathering information to assist citizen oversight or understanding of the operation or activities of government, or nonprofit educational research. Failure to have a public records policy could result in violation of Sunshine Laws. The Village should adopt a public records policy.
5. **Ohio Rev. Code § 117.38** requires entities to file their financial information in the Auditor of State HINKLE system within 60 days after the close of the fiscal year. The Village did not file the 2020 and 2021 annual financial reports timely within 60 days after fiscal year end. The 2020 report was filed on August 16, 2022, with a due date of March 1, 2021, and the 2022 report was filed August 15, 2022, with a due date of March 1, 2022. Failure to file a complete annual financial report in a timely manner may result in the Village not being eligible for reduced audit procedures in the future, such as a basic audit or agreed upon procedures.
6. General Fund disbursements of \$27,558 exceeded appropriations of \$8,450 for the year ended December 31, 2021. **Ohio Rev. Code § 5705.41(B)** states no subdivision or taxing unit is to expend money unless it has been appropriated. Because appropriations authorize spending, expending more money than appropriated potentially allows for deficit spending. The Village should amend appropriations if necessary, or reduced spending so that disbursements do not exceed appropriations.
7. There was no evidence that the Village integrated budgetary estimated receipts or appropriations into the QuickBooks accounting system for 2020 or 2021. The Fiscal Officer should periodically compare amounts recorded in the QuickBooks accounting system to amounts on the Official Certificate of Estimated Resources or the Amended Official Certificate of Estimated Resources and annual appropriation measures to assure they agree. If the amounts do not agree, the Village Council may be using inaccurate information for budgeting and monitoring purposes.
8. The Council approved annual salary for the fiscal officer is \$2,500. The current fiscal officer was paid \$2,500 for 2020 even though she was not appointed as the new fiscal officer until August 18, 2020. The Village Council had approved paying the current fiscal officer the full salary of \$2,500 while she was being trained prior to her appointment; however, that approval was not documented in the minutes. Village Council should document all such pay rate approvals in the minutes.

#### **Current Status of Matters Reported in our Prior Engagement**

1. Our prior basic audit report for the years ended December 31, 2019 and 2018 noted the Village fiscal officer did not complete the required fiscal integrity training as required by the Ohio Rev. Code § 733.81. This issue will be repeated as observation #1 above for the fiscal years ended December 31, 2021 and 2020.

2. Our prior basic audit report for the years ended December 31, 2019 and 2018 noted none of the Village Council members nor the Fiscal Officer attended public records training as required by Ohio Rev. Code § 109.43(B). This issue will be repeated as observation #2 above for the fiscal years ended December 31, 2021 and 2020.
3. Our prior basic audit report for the years ended December 31, 2019 and 2018 noted the Village did not have a records retention policy or schedule as required by Ohio Rev. Code § 149.43(B)(2). This issue will be repeated as observation #3 above for the years ended December 31, 2021 and 2020.
4. Our prior basic audit report for the years ended December 31, 2019 and 2018 noted the Village did not have a public records policy as required by Ohio Rev. Code § 149.43(E)(2). This issue will be repeated as current year observation #4 above for the years ended December 31, 2021 and 2020.
5. Our prior basic audit report for the years ended December 31, 2019 and 2018 noted the Village did not file their financial information in the Hinkle System within 60 days after close of the fiscal year. This issue will be repeated as observation #5 above for the fiscal years ended December 31, 2021 and 2020.
6. Our prior basic audit report for the years ended December 31, 2019 and 2018 noted the Village did not provide 1099 forms issued to the Mayor for 2018 and 2019. This issue will not be repeated above for years ended December 31, 2021 and 2020.
7. Our prior basic audit report for the years ended December 31, 2019 and 2018 noted the Village had General Fund expenditures that exceed appropriations. This issue will be repeated as current year observation #6 above for the years ended December 31, 2021 and 2020.
8. Our prior basic audit report for the years ended December 31, 2019 and 2018 noted the Village did not integrate budgetary amounts into the accounting system. This issue will be repeated as current year observation #7 above for the years ended December 31, 2021 and 2020.



Keith Faber  
Auditor of State  
Columbus, Ohio

December 2, 2022

# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF CASTINE**

**DARKE COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 12/15/2022**

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This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)